

APG Third Round Mutual Evaluation Procedures –

**Supplementary procedures during the
period of COVID-19 global pandemic**



**Asia/Pacific Group
on Money Laundering**

2021

Asia/Pacific Group on Money Laundering
February 2021

**APG Third Round Mutual Evaluation Procedures –
Supplementary procedures during the period of
COVID-19 global pandemic**

Applications for permission to reproduce all or
part of this publication should be made to:

APG Secretariat
Locked Bag A3000
Sydney South
New South Wales 1232
AUSTRALIA

Tel: +61 2 5126 9110
Email: mail@apgml.org
Web: www.apgml.org

©February 2021/All rights reserved

APG THIRD ROUND MUTUAL EVALUATION PROCEDURES

Supplementary procedures during the period of COVID-19 global pandemic¹

(a) Global priority to continue to conduct ME with adjustments to ensure safety

1. FATF has reiterated the priority for the global network to continue to conduct AML/CFT assessments during the period of COVID-19, with necessary adjustments to procedures to ensure the safety of all concerned. FATF sets out four overarching principles which should guide all assessment bodies in their application of greater flexibility for using hybrid on-site visits (physical on-site visits with some virtual aspects), and in their implementation of objective criteria and procedures for handling MEs during the COVID-19 crisis.

- a) It is important for mutual evaluation work to continue and postponements should only occur when absolutely necessary.
- b) Given the serious global health risk posed by COVID-19, the main priority for handling MEs during the pandemic is the health and safety of all participants. This takes precedence over any other consideration.
- c) Greater flexibility to do some aspects of an on-site virtually should be in line with the intention of continuing the evaluation program and maintaining the quality and integrity of the process. The following factors are considered to be essential to safeguard the quality and integrity:
 - i. Maintaining the physical nature of the on-site;
 - ii. Requiring all assessors to participate effectively; and
 - iii. Ensuring the logistical and technical conditions are sufficient to enable the assessed member to make its case and assessors to do their job satisfactorily.
- d) While there should be consistency across the global network, flexibility is permitted, taking into account differing procedural arrangements and circumstances facing FSRBs.

2. In order to implement the FATF's four overarching principles that guide all assessment bodies in their application of greater flexibility for the conduct of MEs during the COVID-19 pandemic, the following objective criteria and procedures will apply to handling APG MEs:

- a) ME on-site visits should proceed when it is possible to do so in a manner that respects the FATF's overarching principles. Postponements should occur only when absolutely necessary and should not be used as a means to delay implementation of the FATF Standards or gain unfair advantage in the assessment process. Decisions to postpone on-site visits should be based on objective criteria and procedures to avoid any arbitrariness.
- b) The main priority for APG handling MEs during the pandemic is the health and safety of all participants. On-site visits should not jeopardise the health and safety of the national authorities, assessors or Secretariat staff. This takes precedence over any other consideration. Everything must be done to make the on-site visit as safe as possible.
- c) Greater flexibility granted to do some aspects of an on-site virtually, should be both in line with the intention to adapt and continue assessments and also to ensure that APG maintains the quality of assessments and the integrity of the process. APG's commitment

¹ These adaptations are temporary and only to apply as needed for the duration of the WHO-declared COVID-19 pandemic.

to quality and consistency (Q&C) throughout the ME process remains unchanged. An ME should not push ahead in circumstances likely to result in a poor quality report that has the potential to affect the credibility of the FATF brand. Hybrid on-site visits will not necessarily result in lower quality MERs, but APG will take care and strive to achieve substantially the same level of quality with this new format.

- d) The following factors are considered essential to safeguard the quality of an assessment and the integrity of the process:
 - where possible, maintaining the physical nature of the on-site visit by requiring an adequate number of assessors with a broad range of expertise and supporting Secretariat staff to be physically present;
 - requiring all assessors to participate effectively throughout the hybrid on-site visit without prejudice to the quality of the assessment, regardless of whether they are participating physically or virtually; and
 - ensuring that the logistical and technical conditions of an on-site visit are sufficient to enable the assessed member to make its case fully, the assessors to do their work properly and have access to the authorities, and the Secretariat to support both parties adequately throughout the process.
- e) APG supports a generally consistent approach across the global network, but with sufficient flexibility to take into account the different procedural arrangements and circumstances facing FSRBs, consistent with the Universal Procedures.

(b) Factors to consider when determining whether the on-site will proceed physically or as a hybrid virtual/physical on-site

3. The APG Secretariat, the assessed member and the assessment team will coordinate and share information to determine if any of the following conditions are met:

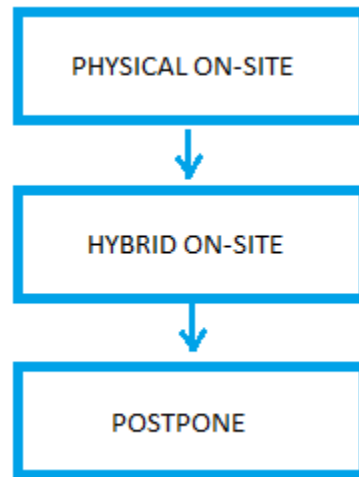
- a) The on-site is unable to be hosted in a manner which both ensures the health and safety of all participants and preserves the physical nature of the on-site visit. The following factors may impact this:
 - domestic travel restrictions;
 - country-wide lockdowns;
 - restrictions on the number of people allowed to congregate;
 - access to appropriate meeting venues;
 - sanitation precautions for the on-site visit;
 - official assessments about the infection rate and spread of the COVID-19 virus; and
 - other circumstances related to the COVID-19 pandemic that create similar issues.
- b) Assessors and the Secretariat staff with responsibility for the ME are unable to travel to the assessed member in a manner that ensures their health and safety. The following factors may impact this ability:
 - travel restrictions prohibiting or strongly discouraging travel to the assessed member;

- travel to the on-site is unreasonable due to lengthy quarantine requirements and the associated resources and costs;
 - the traveller's concerns about availability and access to medical care should they fall ill during the on-site visit;
 - a doctor has advised an individual against their travel to the assessed member for medical reasons;
 - health insurance would not provide adequate cover for COVID-19 in the event of travel to the assessed member; and
 - other circumstances related to the COVID-19 pandemic that create similar issues.
- c) Assessors, whether attending the on-site physically or virtually, are unable to participate effectively in the process, as envisaged by the Universal and FATF Procedures. Factors which may impact this criteria include:
- a member's ability or willingness to honour their commitment to provide an assessor;
 - an assessor's ability or willingness to commit to working full time on the ME for the duration of the on-site visit and attend all meetings during the hybrid on-site visit; and
 - other circumstances that create similar issues and are related to the COVID-19 pandemic.
4. If proceeding as a hybrid virtual/physical meeting, the technical and logistical arrangements for the on-site must be sufficient to allow:
- the assessed member to present its case fully to the assessment team;
 - the assessors to do their work effectively with access to the relevant authorities, including the ability to visit agencies where necessary during a hybrid meeting;
 - the Secretariat to support both the assessed member and the assessment team throughout the on-site.
5. Consideration should also be given to:
- access to adequate video conferencing facilities for the assessed member and assessors or Secretariat staff participating virtually in the on-site;
 - provision of translation, if needed, for all participants participating in the on-site physically or virtually;
 - access to secure channels of communication for sharing confidential documents;
 - measures to ensure the confidentiality of information and discussions in the virtual environment;
 - the allocation of enough meeting time to allow for any technical difficulties with virtual participation and scheduling the agenda to account for time zone differences if needed; and

- other circumstances that create similar issues and are related to the COVID-19 pandemic.

(c) Process for deciding on the form of the on-site and any possible postponement

6. Where possible, the on-site will include the whole team physically attending the assessed member. Where this is not possible, the on-site will proceed as a programme of meetings run as hybrid virtual/physical meetings. When it is not possible to proceed with the on-site in any form without sacrificing the quality of the ME report, the on-site will be postponed.



7. If the assessed member is not able to proceed with an on-site in physical form, it must advise the APG Secretariat in writing that the on-site visit is unable to proceed due to COVID-19 pandemic response measures. This advice must include reference to the specific governmental measures that are preventing the jurisdiction from hosting the on-site visit, including official documents related to those measures.

8. At least 7 weeks prior to the on-site visit, the APG secretariat in consultation with the assessed member and assessors will make inquiries as to whether the on-site visit can take place taking into account the points listed in section (b) above. The assessed member and assessors are responsible for providing the Secretariat with supporting information explaining how and to what extent the COVID-19 crisis is affecting their ability to proceed.

9. If it appears from the material submitted that the physical on-site visit cannot proceed, the APG Secretariat will advise the MEC Co-Chairs and provide them with the necessary documentation. The MEC Co-Chairs will determine whether *prima facie* any of the conditions are met to proceed with a hybrid on-site, or whether the on-site should be postponed. The MEC Co-Chairs will recommend to the GC whether the on-site should proceed as hybrid virtual/physical meetings or be postponed. Based on GC consideration and decision, the APG Co-Chairs will write to the assessed member advising of the decision on the form of the on-site and any possible postponement.

10. If, based on GC consideration, the APG Co-Chairs confirm that the ME on-site will be postponed for a period such that the MER could not be adopted in keeping with the existing schedule, the members will be advised and a revised ME schedule will be circulated for approval.

The Secretariat will continue consulting with the assessed member and the assessors in order to reschedule the on-site as soon as possible. MEC Co-Chairs will re-apply the criteria outlined at section (b) above in order to determine whether the on-site visit is able to take place on the rescheduled dates.

(d) Additional practical arrangements for a hybrid virtual/physical on-site

11. If it is determined that the on-site will proceed as a hybrid virtual/physical on-site, the APG Secretariat, the assessment team and the assessed member will coordinate preparatory meetings to ensure all parties are prepared on the conduct of virtual sessions, including technical logistics.

12. A schedule of meetings will be prepared that best reflects a programme of sessions to support the most productive discussions and best overcome any challenges arising from hybrid virtual meetings.

13. Additional adjustments may need to be made to support a hybrid virtual/physical on-site and to ensure the health and safety of the assessed member officials, assessment team members and Secretariat staff physically present for the on-site. This may include extending the on-site by arranging additional meetings to allow for technical difficulties associated with hybrid virtual meetings and to allow for additional cleaning of meeting sites if required for health and safety reasons, as well as adjusting the timing of meetings to cater for different time zones.

14. Audio recordings of hybrid virtual ME meetings may be considered to ensure that key information shared in hybrid virtual meetings is picked up and considered when drafting the MER. These recordings will be only for use of the assessment team and will not be shared further, or kept beyond the completion of the MER drafting stage. The Secretariat will consult with the assessed member to ensure that any portions of the ME meetings touching on national security concerns would not be recorded, in order to maintain the security and confidentiality of the ME process. These ME team recordings would be kept only for the time needed to make a short summary of discussions.